



JAN 29 2004

Administrator
Washington, DC 20201

Mr. John Chappuis
Medicaid Director
Montana Department of Public Health
and Human Services
P.O. Box 4210
Helena, MT 59601

Dear Mr. Chappuis:

We are pleased to inform you that Montana's request for a section 1115 Medicaid demonstration providing an alternative benefit package for "able-bodied adults" has been approved to operate beginning February 1, 2004, and ending January 31, 2009.

Our approval of this extension (and the Federal matching funds provided thereunder) is contingent upon compliance with the enclosed Special Terms and Conditions (STCs). These STCs also define the nature, character, and extent of anticipated Federal involvement in the project. This award is subject to our receiving your written acceptance of the award and STCs within 30 days of the date of this letter.

Under the authority of section 1115(a)(1) of the Social Security Act (the Act), the following provisions of the Act are waived to enable Montana to carry out the 1115 demonstration through this period:

- Amount, Duration, and Scope of Services Section 1902(a)(10)(B) of the Act

To the extent necessary to permit Montana to offer a reduced benefit package (compared to that available to other categorically needy individuals) to individuals ages 21 to 64 eligible only through groups described in sections 1925 or 1931 of the Act and neither pregnant nor disabled.

All requirements of the Medicaid program expressed in law, regulation, and policy statement, not expressly waived or identified as not applicable in this letter, shall apply to the Montana demonstration.

Your project officer is Timothy Roe. Mr. Roe's contact information is as follows:

Centers for Medicare & Medicaid Services
Center for Medicaid and State Operations
7500 Security Boulevard, Mailstop S2-01-16
Baltimore, MD 21244-1850
Telephone: (410) 786-2006
E-mail address: TroeC@cms.hhs.gov

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Official communications regarding program and administrative matters should be sent simultaneously to Ms. Diane Livesay, the Associate Regional Administrator in our Denver Regional Office. Ms. Livesay's address is:

Centers for Medicare & Medicaid *Services*
Center **for** Medicaid and State Operations
1600 Broadway, Suite 700
Denver, CO 80202-4967

If you have any questions concerning this correspondence, please contact Ms. Jean Sheil, Director, Family and Children's Health Programs Group, at (410) **786-5647**, or at the Baltimore address above.

We extend our congratulations on this award and **look** forward to working with you on this project.

7 Sincerely,

Dennis G. Smith
Acting Administrator

Enclosure

cc: Trina Boyce, CMS Denver **Regional** Office VIII